

We May Win at Frisco but Lose in Washington

Little Group of Men Out to Scuttle Bretton Woods and Tariff Plan

By MILTON MURRAY
PM's Bureau

WASHINGTON, Apr. 28. — Three thousand miles away from here the representatives of 46 United Nations are attempting to write the framework of peace, but here in the Capital of the U. S. A. a determined little group of men is busy attempting to destroy the foundations of peace.

In San Francisco there is discussion of the "sovereignty of nations" and of "political systems."

In San Francisco the statesmen of the civilized nations are sweating out language and protocol that will guide the relations of peace-loving nations when Fascism has been defeated.

Here, in Washington, a determined minority is battling for laws to prevent or limit the U. S. A. from entering into reciprocal trade with its neighboring nations of the world or to establish financial relationship.

Two Fronts

The fight is on two fronts. The major front is the House Ways and Means Committee, where consideration is being given to a bill to extend and expand the Reciprocal Trade Agreements Act, which permits mutual tariff reductions for the expansion of trade.

The second front is the House Banking and Currency Committee, where the Bretton Woods agreement for an international monetary stabilization plan is under discussion.

The Bretton Woods hearings have been on the dull side. Economics is a difficult subject for anyone and when experts talk on a statospheric plane the ordinary man—and the ordinary reporter—runs for something he can understand.

Exchange

Probably it is an oversimplification to say that Bretton Woods provides the machinery whereby nations that do business with one another will have a common medium of exchange with which to conduct that business.

There are other and more complicated features to the Bretton Woods agreement, but, basically, providing and controlling a medium of exchange are paramount.

It is for this reason that some observers put the Reciprocal Trade Agreements Act above Bretton Woods in importance to future relations among nations. Their premise is that if there is no international trade there is no necessity of working out formulas for handling international exchange.

And it is for that reason that there is concern in Washington over the type of peace that can be planned in San Francisco unless measures can be written that will insure a free flow of goods and services between nations when the world is at peace.

Oppose Reduction

There is no doubt in any one's mind that most of the world will look to the U. S. A. for food, machinery, manufactured goods and loans when the war is over.

There is no doubt in any one's mind but that the production of these supplies will require the labor and time of U. S. workmen and American factories. The question that is being argued out in the decision on reciprocal trade agreements is "what will we use for money?"

At the end of a full week of hearings, there is almost a clean party split on the Reciprocal Trade Agreements Act. Republicans are fighting against its renewal with all the arguments they used back in the previous century. Democrats, at first divided, are now united by the partisan Republican arguments and are all out for reduction of tariffs.

On the Republican side, it is being argued that the other nations of the world must buy U. S. products because those products are better and cheaper than anything that can be produced abroad.

At the same time, the Republicans insist that the U. S. A. must not reduce its tariff barriers to permit the import of goods that will

compete either with U. S. labor or agriculture.

The one question that they have failed to answer is the prime one: "What will we use for money?"

Clayton's View

Will Clayton, Assistant Secretary of State and a businessman who has gotten into the "millionaire" rating through international trade, gave the answer to the Committee on a basis that "the implicit recognition that international trade, like all trade, is a two-way affair. No trader can sell without buying; no nation can sell abroad without buying abroad. A manufacturer or trader profits because his selling price exceeds his total costs; a nation profits because it secures better or cheaper goods abroad than at home and pays for them with other goods, produced in excess of home requirements."

Voluminous figures have been given the Ways and Means Committee to prove that domestic production and employment depend on a large volume of foreign trade, and equally strong arguments have been given that international trade is fundamental to international peace.

Revolution

Some nations will face internal revolution if their trade with the U. S. A. is curtailed. Others will lack means of rehabilitation from the ravages of war unless they can obtain U. S. products—and pay for them through exports of their own products.

It is in light of these views that some observers of Congress are wondering whether it is the U. S. delegation at San Francisco that will write the peace or the Republican members of the House Ways and Means Committee and the House Banking and Currency Committee as they nullify or weaken the proposals of the Reciprocal Trade Agreements Act and the Bretton Woods agreement.